

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2010-365-E - ORDER NO. 2010-828
DECEMBER 15, 2010

IN RE: Petition of South Carolina Electric & Gas)	ORDER APPROVING
Company for Authorization to Defer as a)	DEFERMENT OF
Regulatory Asset the Depreciation Expense)	DEPRECIATION
Incurred from the Operation of Certain)	EXPENSE OF WATEREE
Pollution Control Facilities and to Charge)	POLLUTION CONTROL
and Record Carrying Costs on the Account)	AND ALLOW CARRYING
Balance)	COSTS ON ACCOUNT
)	BALANCE


This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Petition of South Carolina Electric & Gas (“SCE&G” or the “Company”) to Defer as a Regulatory Asset the Depreciation Expense Incurred from the Operation of Certain Pollution Control Facilities and to Charge and Record Carrying Costs on the Account Balance. According to SCE&G, the pollution control facility is a scrubber constructed in response to federal regulation that is located at the Wateree Generating Station. SCE&G estimates that the annual depreciation expense will total \$12 million, but current base rates do not provide for recovery of it, which prevents the Company from “[matching]” this expense with revenue generated from the scrubber’s use.

Noting that the Office of Regulatory Staff has no objection to the proposal, we approve SCE&G’s Petition to defer as a regulatory asset the depreciation expense incurred from the operation of the scrubber at the Wateree Generating Station and to

charge and record the carrying costs on the account balance. The Company's accounting treatment of this matter will be reviewed at the time SCE&G applies to include this expense in rates.


This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



John E. Howard, Chairman

ATTEST:



David A. Wright, Vice Chairman

(SEAL)